

Via Fed Ex & Email: (rafi.aziz@gmail.com)  
February 26, 2019



Mr. Rafi M. Aziz  
Scottsburg Hospitality Corp  
15723 Walkwood Drive  
Houston, Texas 77079

Re: Notice of Default and Potential Termination of the Motel 6 Franchise Agreement (the "Agreement") dated July 21, 2015, by and between G6 Hospitality Franchising LLC ("G6HF", "we", "us" or "our") and Scottsburg Hospitality Corp ("you" or "your") pertaining to the property located in Victoria, Texas (the "Motel") and known as Motel 6 #4729.

Dear Mr. Aziz:

Please accept this letter as written notice that you are in default of the above-referenced Agreement. Without respect to other events that might constitute an event of default under the Agreement, you are in default of the following Sections of the Agreement:

- Sections 5.2 and 5.9, for failure to maintain the Standards and public image of the (Motel 6) System; and,
- Section 13.4.5, for failure to pass the Quality Audit on October 30, 2018.

#### Defaults

##### Brand Image

In reviewing your year-to-date Complaints per Room Night ("CRN") and rolling twelve (12) month scores for Guest Satisfaction Survey ("GSS"), we found that your property scored as follows:

- CRN: 7.25 on 15 complaints;
- Staff Friendly: 6.55 on 100 guest surveys;
- Clean room: 5.18 on 100 guest surveys; and,
- Condition: 4.58 on 100 guest surveys.

As you are aware, the 2018 Brand Standards are as follows:

- CRN: 6.0 or less
- Staff Friendly: 9.2 or higher
- GSS Room Cleanliness: 8.2 or higher
- GSS Condition: 8.2 or higher

In accordance with Section M6.5.02.2 of the Brand Standards, "In the event the Property... Fails to maintain minimum thresholds for Guest Satisfaction... G6 will deem the Property to have an administrative QA Audit Failure ("administrative failure") and the property will be scheduled for QA Re-Audit within as early as 30 days." Based on the above-mentioned CRN and GSS, your property is non-compliant. Meeting Brand Standards is essential to ensure customer satisfaction. Your failure to maintain your property in accordance with the established Motel 6 standards reflects poorly upon the entire Motel 6 system and is a breach of your Agreement.

G6 Hospitality LLC  
4001 International Parkway  
Carrollton, Texas 75007  
T 972 360 9000  
F 972 360 5567



### Quality Audits

On October 30, 2018 you had a Gross Failure (a score of 60% or less) on a Quality Audit. As stated in Section 5.14 of the Agreement, "Franchisor and its agents shall have the right to enter upon the premises of the Motel at any time for the purpose of conducting inspections or evaluations..." In Accordance with Section M6.5.02.1 of the Brand Standards, "If the Property fails a Re-Audit, or receives an administrative failure, the timeframe to re-audit can be as early as 30 days, during which time, the Property is expected to correct all areas of failure necessary to meet the Brand Standard and minimum performance thresholds to receive a passing score."

### Cures

As a result of the defaults described above, we are entitled to terminate the Agreement pursuant to Section 13.3.3 (operating the Motel in a manner that is reasonably likely to adversely affect the System and our interest in it) Section 13.4.6 (failing to comply with written demand from Franchisor). To cure this default, you must complete all of the following tasks by the following deadlines:

#### March 29, 2019 (the "Termination Date")

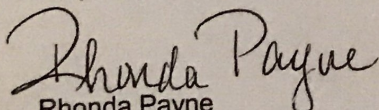
- Take steps to improve Brand Image at the property including providing a Management Action Plan ("MAP") before the Termination Date and obtain approval of the MAP from the G6 Director of Operations that outlines the steps you are taking for such improvements; and we will expect immediate and substantial improvement in your quality scores; and,
- Pass the next QA Audit tentatively scheduled for Q1 2019;

If you fail to cure any of these defaults within the prescribed cure periods outlined above, we have the right to terminate the Agreement, including the Software License Agreement, at will without any further notice from us. Also, remember your obligation under Section 13.6 of the Agreement to pay us liquidated damages, if your failure to cure the defaults results in termination of the Agreement. Based on our calculations, if the Agreement terminated today, that amount would be \$162,000.00. The actual amount may vary based on the date of termination. You will also be required to comply with the post-termination obligations in the Agreement, including de-identification.

Nothing contained herein is intended to constitute an election of any remedy to which we may be entitled, nor do we waive any right that we might possess in connection with the franchise or other defaults arising under the Agreement.

If you have any questions, please call Brandon Howe at (972) 360-5466 or you can reach him by email at [bhowe@g6hospitality.com](mailto:bhowe@g6hospitality.com).

Very truly yours,

  
Rhonda Payne  
Director, Franchise Administration

RP/bh



cc: Kevin Coffman  
Senior Vice President  
Government Guaranteed Lending Manager  
Green bank, N.A.  
4000 Greenbriar  
Houston, Texas 77098

Rashid S. Bukhari  
2036 Lakes Landing Drive  
League City, Texas 77573

Saira R. Aziz  
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Houston, Texas 77079

Ghazala R. Bukhari  
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Steven Williams  
Bryan Schwab  
Cynthia Ertel  
G6 Franchise Collections  
G6 AR Billing  
Rhonda Payne  
Kris Joyce  
Maria Ondek  
Jeff Stephenson  
Tina Burnett  
Rip Patel  
Terri Monroe-Gordillo  
John Valletta  
Aaron Holland  
Josefina Davis  
Brandon Howe